

DEPARTMENT OF JUSTICE
SB 152: Minor and Technical Revisions to Motor Vehicle Law

SB 152 proposes changes to a handful of statutes that affect the Motor Vehicle Division and the residents, businesses and governmental entities it serves.

Section 1 proposes a minor tweak to the law governing the recording and perfection of security interests and liens on vehicle titles. This section only applies to security interests filed by financial institutions or individuals against vehicles owned by individuals. It does not apply to inventory financing for dealers.

The proposed change eliminates some prescriptive language in MCA § 61-3-103 that impedes perfection of security interests on certain vehicle transfers where the title is not available at the time of vehicle registration, sometimes referred to as "one-year registrations." [Page 1, line 29 through page 2, line 2.] This will allow the Division to adjust its business operations and to design one or more forms to implement the law. The Division is in the process of developing a new form that addresses the one-year registration issue where a security interest is present.

Section 2 proposes to eliminate distribution of the \$18.50 salvage fee between the state general fund and a special revenue account formerly used to pay businesses for the use of a vehicle lift to perform an inspection to check required vehicle identification numbers (VINs) prior to issuing a title on a salvage vehicle. [Page 4, lines 13-16] Over time, the Division has found lift locations that do not charge a fee for occasional use by an inspector on behalf of the Division. Consequently, the distribution to the special revenue account has simply been accumulating. The effect of this change is explained in assumptions 1 and 2 of the fiscal note.

Section 3 proposes a revision to MCA § 61-3-224 which governs the issuance of temporary registration permits (TRPs) – short term (40-day authority to drive a vehicle that is not otherwise titled and registered on the highway). This proposal will expand the use of the permits in two additional circumstances:

- the movement of a vehicle that needs a state-assigned VIN to the location where the inspection can be conducted; and
- movement of a vehicle to an auction after it has been acquired by an insurer in the settlement with its customer. [Page 5, lines 10-11 and 23-24.]

Without a permit, the customer, whether an individual who has rebuilt a salvage vehicle or an insurer who has settled a claim, incurs additional expense in having to trailer a vehicle that otherwise could be driven to an inspection site or auction.

The other proposed change in this section is the delegation of rule-making authority to the Division to determine when a temporary registration permit should be issued. [Page 5, lines 4-6, 25-26 and page 6, lines 10-11.] The rule-making proposal retains all current TRP use applications while giving the Division authority to expand the use of a TRP if a circumstance similar to the inspection or auction movement issue arises.

Section 4 will amend MCA § 61-3-303 to delete two obsolete references to remittance by the county treasurers of certain voluntary donations made by customers. The donations pertain to the education and awareness efforts for organ and tissue donation and traumatic brain injury prevention. [Page 9, lines 4 and 19] The law currently requires remittance to the Department of Revenue.

Following the enactment of SB 285 in July 2006, the Department of Justice has been responsible for the reporting and distribution of all taxes, fees and donations related to motor vehicle transactions. These references should have been eliminated in a past session.

Section 5 proposes a change to MCA § 61-3-474 which governs the elimination of a generic specialty license plate when a sponsor sells fewer than 400 sets of plates within the statutorily defined time period - basically, the second full year following the initial distribution of the plate. [Page 10, lines 23-25 and 28-29.]

The change will eliminate a customer's ability to retain a sponsored plate when the customer's vehicle is due to renew its registration. Following the revocation of sponsorship of a specialty plate, the customer would have to convert to a set of standard license plates, different statutory plates (collegiate or military) or a different specialty plates.

Section 6 proposes the codification of an agreement between the Division and the County Treasurers concerning the treatment of dishonored payments. [Page 11, lines 10-19.] It gives the responsibility to pursue collection of the dishonored payment to the entity that accepts the payment, while allowing adjustments for dishonored payments to the credit of the remitting agency for up to one year following remittance to the state. The one-year time frame allows reasonable collection efforts to be pursued.

Section 7 proposes a change to the start date for driver's license suspensions or revocations mandated by state law. The start date would change from the date of conviction to the date the Division receives notice of the conviction. [Page 12, line 14-15.] This provision mirrors the statutory process that is currently applied to commercial drivers in Montana. The change ensures that all drivers will be treated equally when a license suspension or revocation is required by law.

When a suspension or revocation is measured from the date of conviction, the practical length of the action is affected depending on how, when and by whom the conviction is reported to the Division. [Page 12, lines 14-15.] An electronically transmitted report of conviction can occur within days of a court's disposition, while a report that is manually reported (paper report by snail mail) may be received weeks or even months after the conviction has occurred.

The other proposed change [page 12, line 7] will ensure that the Division's driver control processes comport with the actions of court and requirements of state law concerning completion by an offender of a chemical dependency education course, treatment or both.

Section 8 affects the use of driver records in court proceedings where the record is electronically transmitted from the database maintained by the Department of Justice to a court or clerk of court. [Page 14, lines 18-23.] Current law restricts use of the record to the court or the clerk of court. The proposed change would allow attorneys to receive electronically transmitted driving records in the presentation of their client's case, whether on behalf of the prosecution or the defense. The standard for introduction of the record does not change – the receiving party must certify that the received record was not altered in any way.